Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

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TAGS: ENRG, BE

SUB: PETROLEUM DEVELOPMENTS IN BELGIUM

REF: BRUSSELS 6308

1. POTENTIAL PETROLEUM SUPPLY SHORTAGE REMAINS MAJOR NEWS ITEM ON THE LOCAL SCENE. GOB HAS INSTITUTED SPEED LIMITS ON ROADS PLUS OTHER PALLIATIVES MENTIONED IN REFTEL. MINISTERIAL DECREE DATED NOVEMBER 6 FORMALLY PLACES WHOLE PETROLEUM SECTOR UNDER GOVERNMENT CONTROL BUT AT MOMENT GOVERNMENT IS NOT RPT NOT EXERCISING THAT AUTHORITY WHICH APPARENTLY INTENDED FOR USE ONLY IF AND WHEN NECESSRARY. TO AVOID NECESSITY FOR DIRECT GOVERNMENT ADMINISTRATION, PETROLEUM INDUSTRY AND GOVERNMENT OFFICIALS HAVE WORKED OUT SUPPLY ALLOCATION SYSTEM BASED UPON 1972 DELIVERIES.

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2. NEED FOR SUBSTANTIAL INCREASE IN RETAIL PRICES FOR PETROLEUM

PRODUCTS BECOMING INCREASING EVIDENT (BELGIANPRICES SIGNIFICANTLY BELOW THOSE IN NEIGHBORING COUNTRIES) AND GOVERNMENT IN PREPARING ITSELF TO ANNOUNCE INCREASE. HOWEVER AS LOCAL CONSERVATIVE PRESS SMUGLY POINTIG OUT, TIME HAS PASSED WHEN RATIONALIZATION OF LOCAL PRICES WOULD HAVE AFFECT ON BELGIUM'S ABILITY TO OBTAIN INCREASED SUPPLIES FROM OUTSIDE.

- 3. MINECON AFFAIRS CURRENTLY PURSUING POLICY OF ACTIVE JAWBONING, E.G. CALLING ON LOCAL POWER INDUSTRY TO RECONVERT TO USE OF COAL. OTHERWISE GOB ABSTAINING FROM PUBLIC STATEMENTS, PARTICULARLY ON INTERNATIONAL ASPECTS.
- 4. LOCAL INDUSTRY STILL HAS NOT YET FELT AFFECTS OF PETROLEUM EMBARGOES AGAINST NETHERLANDS. AS FAR AS WE CAN TELL, NO DIRECT PRESSURE HAS YET BEEN APPLIED AGAINST GOB IN REGARD TO SHIPMENTS FOR EXPORT (E.G. TO NETHERLANDS) OR TO INTERNAL CUSTOMERS SUCH AS US MILITARY.
- 5. WE UNDERSTAND FROM RELIABLE PETROLEUM INDUSTRY SOURCE THAT DOBBLE COUNTING FACTOR MAY BE INVOLVED IN "OFFICIAL" INDUSTRY OR GOVERNMENT FIGURES IN EUROPE ON STOCKS OF PETROLEUM PRODUCTS ON HAND. IN BELGIUM, FOR INSTANCE, STOCK HELD IN CONFORMITY WITH LONG STANDING GOB REQUIREMENT (MINIMUM 60 DAYS) INCLUDE STOCKS ACTUALLY LOCATED IN STORAGE FACILITIES IN NEIGHBORING COUNTRIES. THESE STOCKS HAVE BEEN INCLUDED IN IN-COUNTRY FIGURES IN AN INFORMAL ARRANGEMENTWITH GOB OFFICIALS WHICH PRE-DATED CURRENT OIL CRISIES. WE WONDER WHETHER SOME STOCKS ARE NOT BEING INCLUDED IN BOTH BELGIAN AND DUTCH/FRENCH/GERMAN STOCK STATISTICS.
- 6. EVENING NOVEMBER 12, AGATT WAS TOLD BY DUTCH DELEGATE TO NATO FOOD AND AGRICULTURE PLANNING COMMITTEE THAT ON NOVEMBER 9 SENIOR NETHERLANDS MINAG OFFICIALS WERE ALERTED TO BE PREPARED TO PARTICIPATE IN A CRASH PROJECT TO DEVELOP A GASOLINE (AND POSSIBLY OTHER FEULS) RATIONING SYSTEM THAT COULD BE PUT INTO EFFECT SOMETIME NEXT MONTH.

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